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CENTRAL INTELLIGENCE GROUP

Overseas Intelligence Budget

Below is given in general outline a justification and explanation of a budget for all overseas intelligence activities for the fiscal year 1947. The total requirements stated are: [REDACTED]

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[REDACTED] Incorporated in this justification are personnel and expense figures which will indicate the plans for implementation of the overall coverage with an indication of what expenditures may be accrued or obligated during the fiscal year 1947.

I. Need for World-Wide Intelligence Coverage. An understanding of the need for intelligence coverage on a world-wide basis requires an analysis of first, the purpose to be served, and secondly, the means of carrying out such purpose. On the first point, essentially the purpose is to assist in enabling those charged with the task to conceive a sound American foreign policy, and, equally important, to adapt that policy to changing world conditions. Information is the essential ingredient of both policy and its application, and the information must be complete. No Government can be adequately informed without employing clandestine intelligence means to supplement ordinary sources. To be effective, clandestine intelligence cannot be merely spotted here or there for special investigation. It must be an interlocking whole equipped to follow the complex play of world events from country to country and from continent to continent.

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On the second point, in studying means to achieve world-wide coverage, intelligence targets require analysis. An exhaustive analysis would be of prohibitive length, but a single instance is sufficient to indicate the problem. Of primary interest to this Government are the activities of the Soviet Union, and of the Governments and organizations which tend to assist it, particularly for their connnotations for the future. This interest finds food for study in almost all of the major countries of the world. Obviously information on such directly influenced countries as Yugoslavia and Romania is necessary in interpreting Russian activities and plans, but it is no less important and, in the long range perhaps even more so, to know the nature and extent of Soviet political activity in India, Indonesia, Argentina and the Near East, not to exclude almost every other world area.

Although only this one instance is given, it must be understood that the mission of clandestine intelligence is the collection of information regarding foreign nations and nationals affecting U.S. interests which foreign governments, groups or individuals wish to withhold from our Government, and which normally must be obtained by an organization of individuals operating covertly. It is therefore believed fundamental that there is no area in which the supplemental assistance of clandestine intelligence coverage is not required in the provision and maintenance of a body of information adequate for the purposes of the United States Government.

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II. Present Status of Overseas Intelligence. At present overseas clandestine intelligence is performed primarily by the Strategic Services Unit. The appropriation upon which it has been required to plan its 1946-1947 operations provides but [redacted] of the [redacted] which are essential to its overseas activities. The result has been a most limited coverage of certain vital areas, and no coverage of some areas which, if not at present of the same degree of priority, are of increasing importance. In the priority areas where coverage is attempted, shortage of funds has necessitated serious under-staffing and inadequate provision for the staff. Only through voluntary assumption by those in the field of a tremendous overload is anything approaching satisfactory results achieved. It is obvious that such strain cannot be maintained indefinitely, and under present circumstances recruiting is barely able to keep abreast of replacements. With the present restrictions there is little hope of establishing new foreign posts and extending coverage to a point which might be called barely adequate. All possible stations have been directed to concentrate upon Russian targets which, under the circumstances, inevitably detracts from the coverage of their own area. Yet even with such concentration, the coverage of the whole Russian problem can only be said to be inadequate.

While the emphasis of this justification is on procurement of intelligence and on overseas activity, it is felt that one factor must be brought out on the home side. Although coverage has been called inadequate above, even so quantities of material are constantly received in Washington. Under the present personnel and budget restrictions, the Washington office is so under-staffed that

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) it cannot process what reports are received in order to reach the consumers with information either
as quickly or as thoroughly analyzed and appraised as current world problems require. Expansion in
the field, therefore, would be a complete waste if Washington were to remain a bottleneck.

25X1A1a The possibilities under the [redacted] budget were discussed above. It is believed inherent in
this description that the situation, far from being improved, cannot even be maintained at its current
level but must deteriorate without some assistance. Consideration has been given to the fact that an
additional [redacted] might be available, bringing the total for the fiscal year 1947 to [redacted] 25X1A1a
In view of the previous discussion, it is felt that this amount would not give effective support to
increased coverage. It would ease somewhat the burden on the current staff and enable them to improve
somewhat the production of intelligence. In other words, it would serve merely to offset the deleterious
effect of the [redacted] limitation but not increase the present organization. Consequently, for
purposes of discussion of this budget, the figure of [redacted] is used as the basic figure on which
the proposed world-wide coverage would be built. The current organization is essentially the nucleus
about which to build for the future, and its framework must be maintained for efficient establishment
of an interlocking world-wide system.

III. Priorities. It should be made clear that the top priority targets have objectives more important
than those assigned to current operations, but of necessity they cannot be efficiently established
without building on the current framework.

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Target No. 1 is broken down into five sub-targets, as all have the same basic end in view but approach it from different areas or angles, and consequently among themselves have a slightly different degree of priority. A summary for requirements of the targets is listed below:

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TARGET No. 1

Target No. 1(a).....

Target No. 1(b).....

Target No. 1(c).....

Target No. 1(d).....

Target No. 1(e).....

TARGET No. 2

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TARGET No. 3

Present estimated basis (see Part II
above).....

Total

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<u>TARGET</u>	<u>1ST QUARTER</u>	<u>2ND QUARTER</u>	<u>3RD QUARTER</u>	<u>4TH QUARTER</u>	<u>TOTAL</u>
1(a) Personnel Operating Recruiting, training, etc. Totals					
1(b) Personnel Operating Recruiting, training, etc. Totals					
1(c) Personnel Operating Recruiting, training, etc. Totals					
1(d) Personnel Operating Recruiting, training, etc. Totals					
1(e) Personnel Operating Recruiting, training, etc. Totals					

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<u>TARGET</u>	<u>1ST QUARTER</u>	<u>2ND QUARTER</u>	<u>3rd QUARTER</u>	<u>4th QUARTER</u>	<u>TOTAL</u>
II Personnel Operating Recruiting, training, etc. Totals	25X1A1a				
III Personnel Operating Recruiting, training, etc. Totals					
					25X1A1a

Note 1. Starred figures are estimates of obligations during the quarter for recruiting, training, investigation, and assessment of personnel as well as actual expenses of such personnel before final establishment in the field.

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Note 2. Fiscal year 1967 requirements are figured on an average cost of [REDACTED] per annum, per person in the field, for all unvouchered expenditures. This is a reasonable basis for overall estimates while building up operations, although object number breakdowns will be out of proportion, with 02, 03, 08, and 09 disproportionately high during the formative periods, and 01 and 07 correspondingly low. Once established, experience shows that the averages for different areas will vary somewhat. Target 1(a), Russia, will be high as 01 and 07 will be most expensive and it will be necessary to maintain a sizable reserve against insurance which cannot be referred to USECC for security reasons. On the other hand, 1(b), [REDACTED] is expected to fall below average cost, partly because of military facilities available, partly because experience indicates 07 expenses are lower in that area.

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ESTIMATED ADDITIONAL PERSONNEL FIGURES BY QUARTERS

FOR FISCAL YEAR 1947 BY PROJECTS

TARGET	30 Sept.	31 Dec.	31 Mar.	30 June	Total Additional
	25X1A1a				
I	1(a)				
	1(b)				
	1(c)				
	1(d)				
	1(e)				
	II				
	III				

PRESENT PERSONNEL.....

TOTAL PERSONNEL BY 30 JUNE 1947.....

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PERSONNEL ESTIMATES

PRESENT 30 SEPT. 31 DEC. 31 MAR. 30 JUNE 1947

W. Eur.
N. Eur.
C. Eur.
SE Eur.
ME
Afr.
PE
SEA
LSA

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